

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2016

Docket No. ACR2016

CHAIRMAN'S INFORMATION REQUEST NO. 7

(Issued January 17, 2017)

To clarify the Postal Service's FY 2016 Annual Performance Report (*FY 2016 Report*) and FY 2017 Annual Performance Plan (*FY 2017 Plan*),<sup>1</sup> the Postal Service is requested to provide written responses to the following requests. Answers should be provided to individual requests as soon as they are developed, but no later than January 24, 2017.

**Legal Compliance**

1. If a performance goal has not been met, the *FY 2016 Report* must explain and describe: (1) why the goal was not met; and (2) the "plans and schedules" for achieving the performance goal. See 39 U.S.C. § 2804(d)(3).
  - a. The Postal Service did not meet the FY 2016 target for the Occupational Safety and Health Administration illness and injury rate (OSHA I&I Rate) performance indicator. *FY 2016 Annual Report* at 15, 20. Please explain why the target was not met.
  - b. The Postal Service states that in FY 2017, it will replace the OSHA I&I Rate performance indicator with a new performance indicator called Total Accidents Rate to measure employee safety. *FY 2016 Annual Report* at 15 n.9, 20. Please describe the "plans and schedules" for meeting the

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<sup>1</sup> The *FY 2016 Report* and *FY 2017 Plan* are included in the Postal Service's FY 2016 *Annual Report to Congress*, which the Postal Service filed with the FY 2016 *Annual Compliance Report*. See United States Postal Service FY 2016 Annual Report to Congress, Library Reference USPS-FY16-17, December 29, 2016 (*FY 2016 Annual Report*).

FY 2017 target for Total Accidents Rate. See 39 U.S.C. § 2804(d)(3)(B).

Please provide timelines for plans that extend beyond FY 2017.<sup>2</sup>

2. 39 U.S.C. § 2804(c) requires annual performance reports to “include actual results for the three preceding fiscal years.” The Commission previously found that “actual results” under section 2804(c) must also be comparable across the three preceding fiscal years. FY 2015 *Analysis* at 17. To comply with section 2804(c), the *FY 2016 Report* must provide comparable results for each performance indicator for, at a minimum, fiscal years 2013, 2014, 2015, and 2016. See *id.* The Commission explained that the Postal Service can meet this requirement by providing all results using the same methodology, or by explaining how results can be compared between old and new methodologies. *Id.*
  - a. In FY 2016, the Postal Service replaced Deliveries per Work Hour (DPWH) with Deliveries per Total Work Hours % SPLY (DPTWH) as a performance indicator for the Sustain Controllable Income performance goal. FY 2016 *Annual Report* at 15 n.11, 12; 22.
    - i. Please provide comparable results for the DPTWH performance indicator for fiscal years 2013, 2014, and 2015.
    - ii. If comparable results cannot be provided, please explain how to compare results between the old methodology (DPWH) and the new methodology (DPTWH).
  - b. The Postal Service states that in FY 2017, it will replace the OSHA I&I Rate performance indicator with a new performance indicator called Total Accidents Rate to measure employee safety. FY 2016 *Annual Report* at 15 n.9, 20. For the FY 2017 Annual Performance Report (*FY 2017*

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<sup>2</sup> The Commission stated that “to fully comply with section 2804(d)(3), the Postal Service should provide timelines for its plans to achieve performance goals if timelines fall outside of the fiscal year covered by the annual performance plan.” Docket No. ACR2015, Analysis of the Postal Service’s FY 2015 Annual Performance Report and FY 2016 Performance Plan, May 4, 2016, at 15 (FY 2015 *Analysis*).

*Report*) to comply with section 2804(c), the Postal Service must provide comparable results for each performance indicator for, at a minimum, fiscal years 2014, 2015, 2016, and 2017. See FY 2015 *Analysis* at 17.

- i. Please confirm that the *FY 2017 Report* will provide comparable Total Accidents Rate results for fiscal years 2014, 2015, 2016, and 2017.
- ii. If comparable results cannot be provided, please confirm that the *FY 2017 Report* will explain how to compare results between the old methodology (OSHA I&I Rate) and the new methodology (Total Accidents Rate).

### **Ensure a Safe Workplace and Engaged Workforce**

3. The Postal Service states that “[e]mployee engagement is measured through the Postal Pulse survey, which was conducted during the second quarter of FY2016.” FY 2016 *Annual Report* at 21.
  - a. Please confirm that the Postal Service used the Postal Pulse survey score (grand mean engagement score) as the performance indicator for measuring employee engagement in FY 2016.
    - i. If confirmed, please provide comparable Postal Pulse survey score results for fiscal years 2013, 2014, 2015, and 2016. If comparable results cannot be provided for one or more fiscal years, please explain how to compare employee engagement results between the Voice of the Employee and the Postal Pulse survey for those fiscal year(s). See FY 2015 *Analysis* at 54-56.
    - ii. If not confirmed, please describe the performance indicator for measuring employee engagement in FY 2016. Also, please provide comparable results for fiscal years 2013, 2014, 2015, and 2016, for this performance indicator.

- b. Please confirm that the Postal Service will use the Postal Pulse survey score (grand mean engagement score) as the performance indicator for measuring employee engagement in FY 2017.
  - i. If confirmed, please provide a comparable FY 2017 target for the Postal Pulse survey score.<sup>3</sup>
  - ii. If not confirmed, please describe the performance indicator the Postal Service will use to measure employee engagement in FY 2017. Also, please provide a comparable FY 2017 target for that performance indicator.
- 4. The Postal Service states that it “[d]elivered the Postal Pulse survey to 600,000 career and non-career employees.” FY 2016 *Annual Report* at 21. In Docket No. ACR2015, in response to a CHIR, the Postal Service submitted a copy of the Postal Pulse survey that was sent to employees in FY 2015.<sup>4</sup> Please confirm that the same Postal Pulse-related information was sent to employees in FY 2016. If not confirmed, please submit a copy of the Postal Pulse survey and related materials that were sent to employees in FY 2016.

By the Chairman.

Robert G. Taub

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<sup>3</sup> In its FY 2015 *Analysis*, the Commission recommended that the Postal Service administer the Postal Pulse survey during FY 2016 and then set a FY 2017 target and provide the basis for selecting that target. FY 2015 *Analysis* at 53.

<sup>4</sup> Docket No. ACR2015, Responses of the United States Postal Service to Questions 1-6 of Chairman’s Information Request No. 3, January 21, 2016, question 5.a, file “ChIR.3.Q.5.PP.Survey.pdf.”